

## Message Text

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ACTION EA-09

INFO OCT-01 ISO-00 ERDA-07 AID-05 CEA-01 CIAE-00 CIEP-02

COME-00 DODE-00 EB-07 FPC-01 H-02 INR-07 INT-05 L-03

NSAE-00 NSC-05 OMB-01 PM-04 USIA-15 SAM-01 OES-06

SP-02 SS-15 TRSE-00 FEA-01 PA-02 PRS-01 /103 W

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R 210315Z APR 76

FM AMEMBASSY JAKARTA

TO SECSTATE WASHDC 3931

INFO AMEMBASSY KUALA LUMPUR

AMEMBASSY MANILA

AMEMBASSY SINGAPORE

AMEMBASSY TOKYO

AMCONSUL MEDAN

AMCONSUL SURABAYA

UNCLAS JAKARTA 5159

E.O. 11652: N/A

TAGS: ENRG, ENRG, PGOV, ID

SUBJ: PRESIDENT SUHARTO COMMENTS ON PERTAMINA

REF: JAKARTA 5023

1. PRESIDENT SUHARTO USED OCCASION OF MAJ. GEN. PIET HARYONO'S INSTALLATION APRIL 15 AS PRESIDENT-DIRECTOR OF PERTAMINA TO DELIVER SOME STRONG WORDS ABOUT PERTAMINA AFFIR. PRESENT AT PALACE SWEARING-IN CEREMONY WER VICE PRESIDENT, MEMBERS OF PARLIAMENT, CABINET AND SENIOR/OFFICIALS IN MINMINES AND PERTAMINA. CALTEX PACIFIC INDONESIA CHAIRMAN JULIUS TAHIJA ALSO ATTENDED. FOLLOWING IS SUMMARY OF SUHARTO'S COMMENTS WHICH SHOULD BE READ IN CONJUNCTION WITH REFTEL.

2. LOCAL DAILIES QUOTE PRESIDENT AS SAYING GOVERNMENT INTERVENTION WAS NEEDED TO SAFEGUARD PERTAMINA, OTHERWISE COMPANY WOULD HAVE GONE BANKRUPT. "SUCH A SITUATION WOULD SURELY BRING ABOUT A MORE UNCLASSIFIED

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SERIOUS IMPACT ON THE STATE ECONOMIC AND FINANCIAL CONDITION."

HE STRESSED IN HIS REMARKS THAT PROBLEMS FACED BY PERTAMINA WERE RESULT OF COMPANY'S EXPANSION INTO VARIETY OF NON-OIL ACTIVITIES. SUHARTO URGED NEW PRESIDENT-DIRECTOR HARYONO TO LEAD PERTAMINA WITH "CONTROL AND ACCURACY."

3. SUHARTO ANNOUNCED THAT GOI INTENDS TO SELL OFF MANY OF PERTAMINA'S NON-OIL PROPERTIES AND ASSETS. SALES WILL BE MADE TO GOVERNMENT INSTITUTIONS OR PRIVATE COMPANIES. PRESS REPORTS QUOTE SUHARTO AS SAYING "BY THESE STEPS THE OBLIGATION OF PERTAMINA TO PAY ITS DEBTS COULD BE DECREASED."

4. SUHARTO DISMISSED REPORTS AND RUMORS THAT GOI WOULD DEVALUE RUPIAH BECAUSE OF MASSIVE PERTAMINA DEBTS. "IT WILL NOT BE NECESSARY FOR US TO DEVALUE," HE INDICATED.

5. FINALLY, SUHARTO DENIED THAT GOVERNMENT HAD RAISED PRICE OF PETROLEUM PRODUCTS IN EFFORT TO HELP PAY OF PERTAMINA'S DEBTS. HE SAID THE INCREASE WAS TAKEN TO COVER PRODUCTION COSTS BUT WAS DONE SO AS TO MINIMIZE IMPACT ON "COMMON PEOPLE."

6. COMMENT: GEN. HARYONO HAS ORDERED COPIES OF PRESIDENT'S REMARKS BE SENT TO EVERY EMPLOYEE IN PERTAMINA. "I WANT THEM TO BE AWARE OF MY INSTRUCTIONS FROM SUHARTO," HE TOLD ONE VISITOR. NEWSOM

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## Message Attributes

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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Copy:** SINGLE  
**Draft Date:** 21 APR 1976  
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**TAGS:** ENRG, PGOV, ID, PERTAMINA, (HARYONO, PIET), (SUHARTO)  
**To:** STATE  
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